

1-1 By: Hancock S.B. No. 737  
1-2 (In the Senate - Filed February 3, 2017; February 21, 2017,  
1-3 read first time and referred to Committee on Intergovernmental  
1-4 Relations; March 27, 2017, reported favorably by the following  
1-5 vote: Yeas 6, Nays 0; March 27, 2017, sent to printer.)

1-6 COMMITTEE VOTE

	Yea	Nay	Absent	PNV
1-7				
1-8	X			
1-9	X			
1-10			X	
1-11	X			
1-12	X			
1-13	X			
1-14	X			

1-15 A BILL TO BE ENTITLED  
1-16 AN ACT

1-17 relating to requirements for new or increased municipal fees.  
1-18 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:  
1-19 SECTION 1. Chapter 102, Local Government Code, is amended  
1-20 by adding Section 102.0001 to read as follows:  
1-21 Sec. 102.0001. DEFINITION. In this chapter, "fee" has the  
1-22 meaning assigned by Section 109.001.  
1-23 SECTION 2. Section 102.005, Local Government Code, is  
1-24 amended by adding Subsection (b-1) to read as follows:  
1-25 (b-1) A proposed budget that includes estimated revenue  
1-26 from a new fee or the increase of an existing fee must contain a  
1-27 cover page with the following statement in 18-point or larger type:  
1-28 "This budget includes estimated revenue from the following new or  
1-29 increased fees: (include a description of each new or increased  
1-30 fee, the dollar amount of each new fee, and the dollar amount of and  
1-31 percentage of increase of each increased fee)."  
1-32 SECTION 3. Section 102.006(c), Local Government Code, is  
1-33 amended to read as follows:  
1-34 (c) The governing body shall provide for public notice of  
1-35 the date, time, and location of the hearing. The notice must  
1-36 include, in type of a size at least equal to the type used for other  
1-37 items in the notice, any statement required to be included in the  
1-38 proposed budget under Section 102.005(b) or (b-1).  
1-39 SECTION 4. Section 102.0065(d), Local Government Code, is  
1-40 amended to read as follows:  
1-41 (d) Notice under this section must include, in type of a  
1-42 size at least equal to the type used for other items in the notice,  
1-43 any statement required to be included in the proposed budget under  
1-44 Section 102.005(b) or (b-1).  
1-45 SECTION 5. Section 102.007, Local Government Code, is  
1-46 amended by adding Subsection (c-1) and amending Subsection (d) to  
1-47 read as follows:  
1-48 (c-1) Adoption of a budget that includes estimated revenue  
1-49 from a new fee or the increase of an existing fee requires a  
1-50 separate vote of the governing body to ratify the use of that  
1-51 revenue. A vote under this subsection is in addition to and  
1-52 separate from the vote to adopt the budget or a vote to adopt or  
1-53 increase the fee.  
1-54 (d) An adopted budget must contain a cover page that  
1-55 includes:  
1-56 (1) one of the following statements in 18-point or  
1-57 larger type that accurately describes the adopted budget:  
1-58 (A) "This budget will raise more revenue from  
1-59 property taxes than last year's budget by an amount of (insert total  
1-60 dollar amount of increase), which is a (insert percentage increase)  
1-61 percent increase from last year's budget. The property tax revenue

2-1 to be raised from new property added to the tax roll this year is  
 2-2 (insert amount computed by multiplying the proposed tax rate by the  
 2-3 value of new property added to the roll).";

2-4 (B) "This budget will raise less revenue from  
 2-5 property taxes than last year's budget by an amount of (insert total  
 2-6 dollar amount of decrease), which is a (insert percentage decrease)  
 2-7 percent decrease from last year's budget. The property tax revenue  
 2-8 to be raised from new property added to the tax roll this year is  
 2-9 (insert amount computed by multiplying the proposed tax rate by the  
 2-10 value of new property added to the roll)."; or

2-11 (C) "This budget will raise the same amount of  
 2-12 revenue from property taxes as last year's budget. The property tax  
 2-13 revenue to be raised from new property added to the tax roll this  
 2-14 year is (insert amount computed by multiplying the proposed tax  
 2-15 rate by the value of new property added to the roll).";

2-16 (2) if applicable, the following statement in 18-point  
 2-17 or larger type: "This budget includes estimated revenue from the  
 2-18 following new or increased fees: (include a description of each new  
 2-19 or increased fee, the dollar amount of each new fee, and the dollar  
 2-20 amount of and percentage of increase of each increased fee).";

2-21 (3) the record vote of each member of the governing  
 2-22 body by name voting on the adoption of the budget;

2-23 (4) [~~3~~] the municipal property tax rates for the  
 2-24 preceding fiscal year, and each municipal property tax rate that  
 2-25 has been adopted or calculated for the current fiscal year,  
 2-26 including:

2-27 (A) the property tax rate;  
 2-28 (B) the effective tax rate;  
 2-29 (C) the effective maintenance and operations tax  
 2-30 rate;

2-31 (D) the rollback tax rate; and  
 2-32 (E) the debt rate; and

2-33 (5) [~~4~~] the total amount of municipal debt  
 2-34 obligations.

2-35 SECTION 6. Section 102.008, Local Government Code, is  
 2-36 amended to read as follows:

2-37 Sec. 102.008. APPROVED BUDGET FILED WITH MUNICIPAL CLERK:  
 2-38 POSTING ON INTERNET. (a) On final approval of the budget by the  
 2-39 governing body of the municipality, the governing body shall:

2-40 (1) file the budget with the municipal clerk; and  
 2-41 (2) if the municipality maintains an Internet website,  
 2-42 take action to ensure that:

2-43 (A) a copy of the budget, including the cover  
 2-44 page, is posted on the website; and

2-45 (B) the record vote described by Section  
 2-46 102.007(d)(3) [~~102.007(d)(2)~~] is posted on the website at least  
 2-47 until the first anniversary of the date the budget is adopted.

2-48 (b) The governing body shall take action to ensure that the  
 2-49 cover page of the budget is amended to include the property tax  
 2-50 rates required by Section 102.007(d)(4) [~~102.007(d)(3)~~] for the  
 2-51 current fiscal year if the rates are not included on the cover page  
 2-52 when the budget is filed with the municipal clerk. The governing  
 2-53 body shall file an amended cover page with the municipal clerk and  
 2-54 take action to ensure that the amended cover page is posted on the  
 2-55 municipality's website.

2-56 SECTION 7. Subtitle A, Title 4, Local Government Code, is  
 2-57 amended by adding Chapter 109 to read as follows:

2-58 CHAPTER 109. NOTIFICATION OF NEW OR INCREASED MUNICIPAL FEES

2-59 Sec. 109.001. DEFINITION. In this chapter, "fee" means any  
 2-60 fee, charge, assessment, or similar payment required by a  
 2-61 municipality for a privilege, service, authorization, permit,  
 2-62 license, registration, certification, filing, or other municipal  
 2-63 action or approval.

2-64 Sec. 109.002. E-MAIL NOTIFICATION SERVICE. (a) Each  
 2-65 municipality shall establish and maintain an e-mail notification  
 2-66 service to which any person may electronically subscribe to receive  
 2-67 information regarding new or increased municipal fees.

2-68 (b) The e-mail notification service must:  
 2-69 (1) allow a subscriber to request notification of

3-1 each:  
3-2 (A) new fee proposed to be adopted by the  
3-3 municipality;  
3-4 (B) existing fee proposed to be increased by the  
3-5 municipality;  
3-6 (C) proposed budget of the municipality that  
3-7 includes use of revenue from a fee described by Paragraph (A) or  
3-8 (B);  
3-9 (D) adopted budget of the municipality that  
3-10 includes use of revenue from a fee described by Paragraph (A) or  
3-11 (B); or  
3-12 (E) public hearing scheduled to be held at which  
3-13 a fee or budget described by Paragraphs (A)-(D) is scheduled to be  
3-14 discussed;  
3-15 (2) include a link in the notification to any web page  
3-16 maintained by the municipality on which the fee or budget may be  
3-17 viewed; and  
3-18 (3) notify the subscriber by e-mail not later than the  
3-19 day:  
3-20 (A) the municipality provides public notice of a  
3-21 public hearing at which a proposed new or increased fee or a  
3-22 proposed budget is scheduled to be discussed, for notification of a  
3-23 public hearing for a proposed fee or budget;  
3-24 (B) the budget officer files a proposed budget  
3-25 with the municipal clerk as required by Section 102.005, for  
3-26 notification of a proposed budget; or  
3-27 (C) the governing body files an adopted budget  
3-28 with the municipal clerk as required by Section 102.008, for  
3-29 notification of an adopted budget.  
3-30 SECTION 8. The changes in law made by Sections 102.005,  
3-31 102.006, 102.0065, 102.007, and 102.008, Local Government Code, as  
3-32 amended by this Act, apply only to a proposed or adopted budget for  
3-33 a fiscal year beginning on or after January 1, 2018.  
3-34 SECTION 9. This Act takes effect September 1, 2017.

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